

**OBRA 1990 RETIREMENT SYSTEM OF THE
COUNTY OF MILWAUKEE**

**ACTUARIAL VALUATION
JANUARY 1, 2008**

June 9, 2008

The Retirement Board
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the OBRA 1990 Retirement System of the County of Milwaukee as of January 1, 2008. The valuation takes into account all of the promised benefits to which members are entitled as of January 1, 2008; and as required by the Retirement Code is the basis for the Budget Contribution for fiscal year 2009.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, including a valuation interest rate of 8% per annum compounded annually. Effective with the 2007 valuation, the Board adopted a new mortality table assumption to better reflect actual and expected experience.

Assets and Membership Data

The Retirement System reported the individual data for members of the System as of the valuation date to the actuary. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System.

Funding Adequacy

The 2007 valuation performed last year resulted in an Actual Funding Contribution of \$485,553 against which \$529,000 was actually contributed. The credit of \$43,447 is amortized over five years.

The Actual Funding Contribution for 2008, based on the results of this valuation, is \$557,813. It is expected that \$522,000 will be contributed during 2009 on behalf of the 2008 plan year. The excess of \$35,813 will be amortized over five years.

Budget Contribution

The 2009 Budget Contribution, expected to be contributed in 2010, is \$637,000.

Financial Results and Membership Data

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuary prepared supporting schedules and required supplementary information included in the County of Milwaukee Annual Report of the Pension Board.

Qualified actuaries completed the valuation in accordance with accepted actuarial procedures as prescribed by the Actuarial Standards Board. The qualified actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice.

Respectfully submitted,



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary



S. Lynn Hill
Director, Retirement Consulting

LL/SHL:pl

EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

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Executive Summary

This report presents the actuarial valuation as of January 1, 2008 for the OBRA 1990 Retirement System of the County of Milwaukee. The principal valuation results include:

- The Actual Funding Contribution for fiscal year 2008, which is \$557,813.
- The Annual Required Contribution for fiscal year 2008 in accordance with GASB requirements, which is \$557,813.
- The Budget Contribution for fiscal year 2009, which is \$637,000.
- The total funded ratio of the plan determined as of January 1, 2008, which is 33.2% based on the accrued liability and the actuarial value of assets.
- The determination of the actuarial gain or loss as of January 1, 2008, which is a gain of \$129,979.
- Annual disclosure as of January 1, 2008 as required by Statement No. 25 of the Governmental Accounting Standards Board.

The valuation was based on membership and financial data submitted by the Retirement System.

Changes Since Last Year

Legislative and Administrative Changes

There were no legislative or administrative changes since the prior valuation.

The benefit provisions and contribution provisions are summarized in Table 15.

Actuarial Assumptions and Methods

Effective with the 2007 valuation, the Board adopted a new mortality table assumption to better reflect actual and expected experience.

The actuarial assumptions and methods are outlined in Table 14.

Contribution Amounts

The results of the valuation as of January 1, 2008 determine the Actual Funding Contribution and Annual Required Contribution for fiscal year 2008 and the Budget Contribution for fiscal year 2009. The Actual Funding Contribution and the Annual Required Contribution for GASB 25 disclosure for fiscal year 2008 are both \$557,813. The Budget Contribution for fiscal year 2009 is \$637,000.

Reasons for Change in Budget Contribution Calculated by the Actuary

The Budget Contribution calculated by the actuary increased from \$522,000 for fiscal year 2008 to \$637,000 for fiscal year 2009. A reconciliation of the increase of \$115,000 is shown in the following table:

Item	Amount
1. 2008 Budget Contribution *	\$ 522,000
2. Increase / (Decrease) during 2007 due to	
a. Unanticipated liability loss (gain)	\$ 7,000
b. Asset loss (gain) other than expected	2,000
c. 2007 reimbursable expenses other than assumed	21,000
d. 2007 contribution variance other than assumed	1,000
e. Full recognition of bases other than assumed	-
f. Other	5,000
g. Total	36,000
3. 2008 Actual Contribution (1 + 2)	\$ 558,000
4. Expected Increase / (Decrease) during 2008 due to	
a. Normal cost and existing amortization schedule	\$ 18,000
b. Phase-in of deferred asset (gains) losses	-
c. Amortization of 2008 reimbursable expenses	67,000
d. Expected contribution variance for 2008	9,000
e. Full recognition of certain amortization bases	(15,000)
f. Increase due to assumption changes	-
g. Total	79,000
5. 2009 Budget Contribution (3 + 4)	\$ 637,000

* 2d Variance and 2f other are due to correcting amortization of 1/1/2006 Gain.

Summary of Principal Results

Summarized below are the principal financial results for the OBRA 1990 Retirement System of the County of Milwaukee based upon the actuarial valuation as of January 1, 2008. Comparable results from the January 1, 2007 valuation are also shown.

Item	January 1, 2008	January 1, 2007
Demographics		
<u>Active Members</u>		
• Number	1,401	1,297
• Average Annual Pay	\$ 5,913	\$ 5,441
<u>Inactive Members</u>		
• Members Receiving Benefits		
• Number	1	1
• Average Annual Benefit Payment	\$ 1,371	\$ 1,371
• Members With Deferred Benefits		
• Number	8,741	8,345
• Average Annual Benefit Payment	\$ 216	\$ 212
Actual Funding Contribution	(Fiscal Year 2008)	(Fiscal Year 2007)
• Normal Cost with Interest	\$ 176,532	\$ 142,902
• Net Amortization Payments	381,281	338,984
• Total Contribution	\$ 557,813	\$ 481,886
Actuarial Funded Status		
• Accrued Liability	\$ 4,076,739	\$ 3,842,625
• Actuarial Value of Assets	1,354,805	1,260,931
• Unfunded Accrued Liability	\$ 2,721,934	\$ 2,581,694
• Funded Ratio	33.2 %	32.8 %

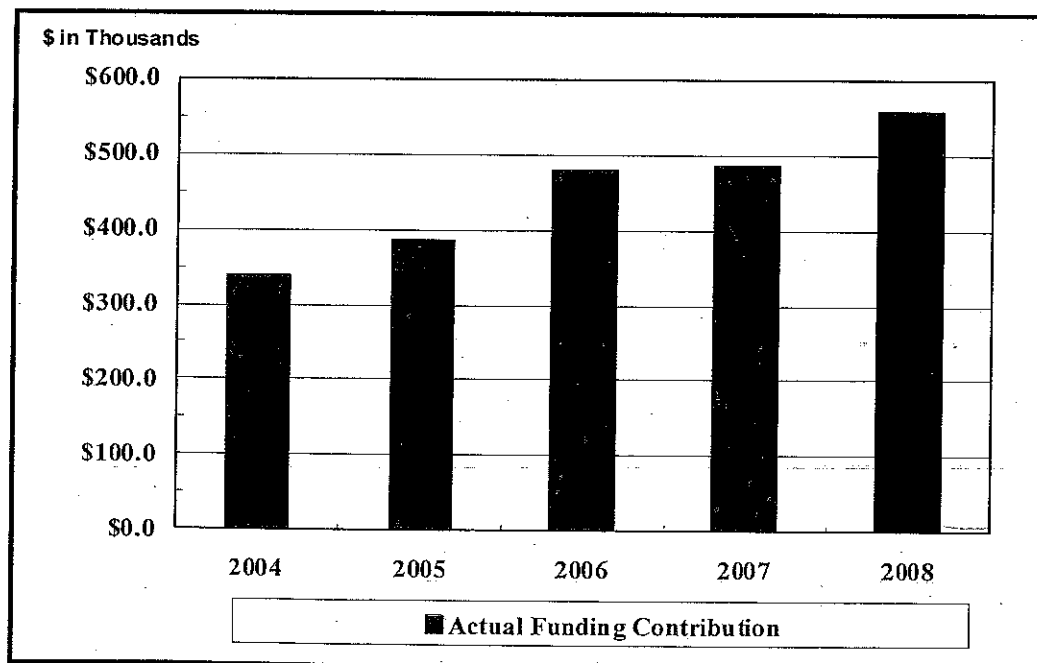
Five-Year History of Principal Financial Results

Five-Year History of Contribution Amounts

Valuation as of January 1	Actual Funding Contributions		
	Normal Cost with Interest	Net Amortization Payments	Total
2008	\$ 176,532	\$ 381,281	\$ 557,813
2007	142,902	342,651	485,553
2006	169,071	311,825	480,896
2005	133,906	252,316	386,222
2004	123,879	213,790	337,669

The following chart shows a five-year history of employer contribution amounts:

Five-Year History of Actual Funding Contributions



Funded Ratio

The financing objective of the System is to:

- Fully fund all current costs based on the normal contribution rate determined under the funding method; and
- Liquidate the unfunded accrued liability based on the amortization schedules as required by the retirement code, i.e., a schedule of 5, 10, or 30 years for each change in the unfunded accrued liability according to Section 3.1.

The total Actual Funding Contribution of \$557,813, when taken together with any contributions payable by members and asset returns, is the amount sufficient to achieve the financing objective for 2008.

The System's total funded ratio on the funding basis is measured by comparing the actuarial value of assets (same as market value) with the accrued liability. The accrued liability for pensions is the present value of benefits accumulated to date under the System's funding method.

On this basis, the System's funded ratio is 33.2% as of January 1, 2008. This funded ratio is based on an actuarial value of assets of \$1,354,805 and an accrued liability of \$4,076,739.

Reasons for Change in the Total Funded Ratio

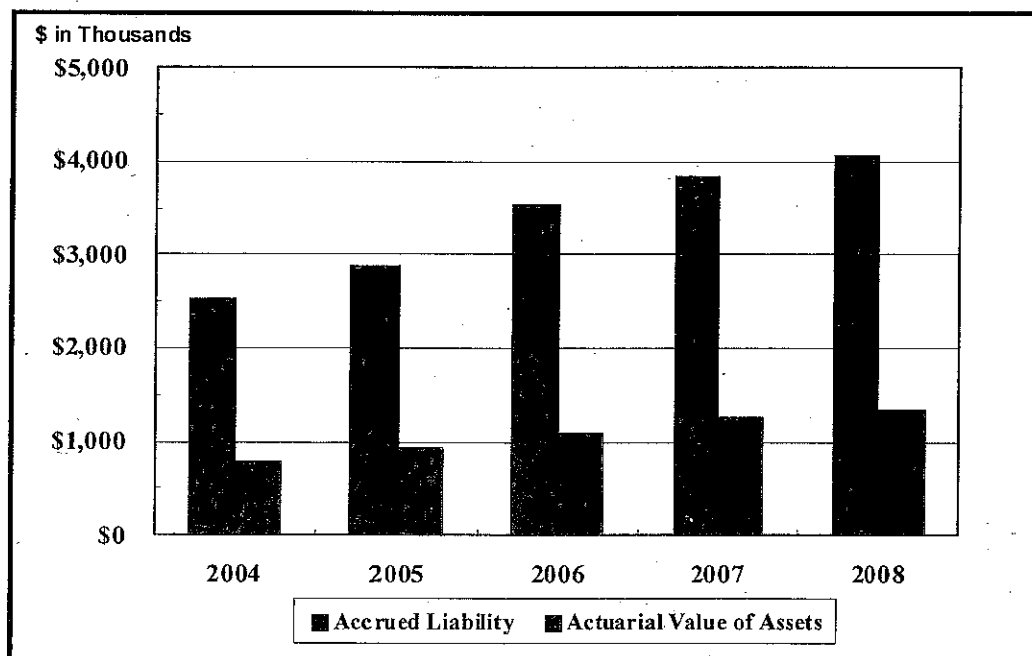
The total funded ratio increased from 32.8% as of January 1, 2007 to 33.2% as of January 1, 2008. The increase is due to the net effect of investment return, assumption changes and experience gains and losses.

Five-Year History of Total Funded Ratio

Valuation as of January 1	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2008	\$ 4,076,739	\$ 1,354,805	\$ 2,721,934	33.2%
2007	3,842,625	1,260,931	2,581,694	32.8
2006	3,530,352	1,090,405	2,439,947	30.9
2005	2,871,834	943,973	1,927,861	32.9
2004	2,535,291	789,690	1,745,601	31.1

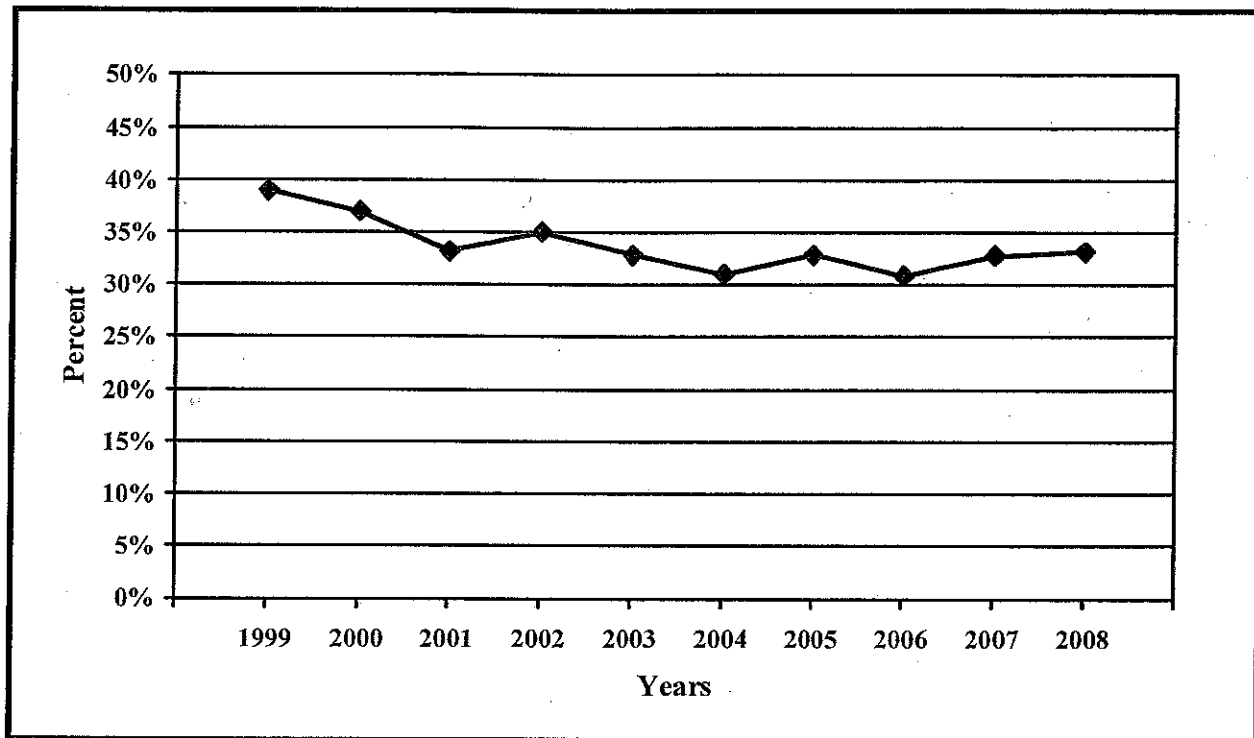
The following chart shows a five-year history of the accrued liability and the actuarial value of assets:

Five-Year History of Accrued Liability and Actuarial Value of Assets



The following chart shows a ten-year history of the total funded ratio:

**Ten-Year History of Total Funded Ratio
(1999 - 2008)**



GASB No. 25 Disclosure

Statement No. 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System complied with Statement No. 25 beginning with the January 1, 1997 valuation. The statement requires disclosure of the "schedule of funding progress" and the "schedule of employer contributions" in the System's financial statements.

The "schedule of funding progress" shows historical trend information about the System's actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded ratio is measured by comparing the actuarial value of assets (based on market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System's funding method and reflects future pay increases for active employees. On this basis, the System's funded ratio is 33.2% as of January 1, 2008. This funded ratio is based on an actuarial value of assets of \$1,354,805 and an accrued liability of \$4,076,739.

The "schedule of employer contributions" shows historical trend information about the annual required contribution (ARC) for pensions of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost for pensions plus amortization of the unfunded actuarial accrued liability for pensions. The maximum period of amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years. The maximum amortization period decreased from 40 years to 30 years in 2007. The employer contributions to the System are equal to the normal cost plus a payment towards each change in the unfunded accrued liability, which are amortized over 5, 10 or 30-year periods. The ARC and the actual employer percentage contributed for the five fiscal years ending December 31, 2008 are shown in Table 13.

Rate of Return

The estimated investment return of the fund (i.e. total return including both realized and unrealized gains and losses) for fiscal years 2003 through 2007 is shown in the table below. The return based on the actuarial value of assets used for determining annual contribution rates is also shown.

The rate of return on market value reflects the investment earnings on the market value of assets from the beginning of the fiscal year to the end of the fiscal year. The actuarial assets are the assets recognized for valuation purposes. Actuarial assets are the same as market value for purposes of this valuation.

Five Year History of Assets and Returns

As of 12/31	Asset Values		Rates of Return		
	Market	Actuarial	Market	Actuarial	Assumed
2003	\$ 789,690	\$ 789,690	22.6%	22.6%	9.0%
2004	943,973	943,973	11.4%	11.4%	8.5%
2005	1,090,405	1,090,405	11.8%	11.8%	8.5%
2006	1,260,931	1,260,931	11.3%	11.3%	8.0%
2007	1,354,805	1,354,805	5.6%	5.6%	8.0%

Compound Rate of Return (five years): 12.4% 12.4%

TABLE 1**SUMMARY OF RESULTS OF ACTUARIAL VALUATION**

Item	January 1, 2008	January 1, 2007
Participant Data		
1. Number of Participants		
a) Active Participants	1,401	1,297
b) Participants with Deferred Benefits	8,741	8,345
c) Participants Receiving Benefits	1	1
d) Total	10,143	9,643
2. Total Compensation	\$ 8,284,312	\$ 7,057,342
3. Annual Annuities	\$ 1,371	\$ 1,371
Valuation Results		
4. Actuarial Accrued Liability		
a) Active Participants	\$ 1,117,979	\$ 1,147,021
b) Participants with Deferred Benefits	2,948,180	2,684,710
c) Participants Receiving Benefits	10,580	10,894
d) Total	\$ 4,076,739	\$ 3,842,625
5. Actuarial Value of Assets	\$ 1,354,805	\$ 1,260,931
6. Funded Status: (5 / 4)	33.2 %	32.8 %
7. Unfunded Actuarial Accrued Liability: (4 - 5)	\$ 2,721,934	\$ 2,581,694
8. Normal Cost for the Plan Year	\$ 163,456	\$ 132,317
Employer Actual Funding Contribution and Annual Required Contribution for Fiscal 2008		
9. Actual Funding Contribution Calculated by Actuary		
a) Normal Cost with Interest	\$ 176,532	\$ 142,902
b) Net Annual Amortization Payments	381,281	342,651
c) Total Contribution: ((a + b), not less than zero)	\$ 557,813	\$ 485,553

TABLE 2

**SECURITY OF PROMISED BENEFITS
UNFUNDED ACTUARIAL ACCRUED LIABILITY
FUNDED STATUS**

Item	January 1, 2008	January 1, 2007
1. Actuarial Accrued Liability		
a. Active Participants		
Retirement Benefits	\$ 972,737	\$ 1,007,205
Withdrawal Benefits	145,242	139,816
Total Active	1,117,979	1,147,021
b. Participants with Deferred Benefits	2,948,180	2,684,710
c. Participants Receiving Benefits	10,580	10,894
d. Total All Participants	\$ 4,076,739	\$ 3,842,625
2. Actuarial Value of Assets	1,354,805	1,260,931
3. Unfunded Actuarial Accrued Liability (1d - 2)	\$ 2,721,934	\$ 2,581,694
4. Funded Status: (2 / 1d)	33.2%	32.8%

Both valuations were based on the same methods and plan provisions.

The interest rate used as of January 1, 2008 and January 1, 2007 was 8.00%.

TABLE 3**ACTUARIAL GAIN/(LOSS) FOR PLAN YEAR ENDING**

Item	December 31, 2007	December 31, 2006
1. Actuarial Accrued Liability at the Beginning of the Year	\$ 3,842,625	\$ 3,530,352
2. Increases/(Decreases) During the Year		
a. Normal Cost for the Year	132,317	156,547
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(54,125)	(101,999)
d. Assumed Interest to End of Year*	315,872	290,951
e. Plan and Assumption Changes	-	67,011
f. Total: (a + b + c + d + e)	394,064	412,510
3. Expected Liability at the End of the Year: (1 + 2)	4,236,689	3,942,862
4. Actuarial Accrued Liability at the End of the Year	4,076,739	3,842,625
5. Liability Gain/(Loss): (3 - 4)	\$ 159,950	\$ 100,237
6. Actuarial Value of Assets at the Beginning of the Year	\$ 1,260,931	\$ 1,090,405
7. Increases/(Decreases) During the Year		
a. County Contributions	529,000	462,000
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(54,125)	(101,999)
d. Administrative Expenses	(449,781)	(307,150)
e. Assumed Interest to End of Year*	98,751	83,231
f. Total: (a + b + c + d + e)	123,845	136,082
8. Expected Actuarial Assets at the End of the Year (6 + 7)	1,384,776	1,226,487
9. Actuarial Value of Assets at the End of the Year	1,354,805	1,260,931
10. Actuarial Asset Gain/(Loss): (9 - 8)	\$ (29,971)	\$ 34,444
11. Total Gain/(Loss): (5 + 10)	\$ 129,979	\$ 134,681

* 8.00% per annum interest rate assumed for 2007 plan year and 8.50% per annum interest rate assumed for 2006 plan year

TABLE 4

**AMORTIZATION SCHEDULE FOR ACTUAL FUNDING CONTRIBUTION
FOR 2008 PLAN YEAR**

Type of Payment	Amortization Period				Balances		Payment
	Date Created	Initial Years	Remaining Years	Last Payment	Initial	Outstanding	
1. Charges							
Expense	1/1/1998	10	0	2007	\$ 96,137	\$ -	\$ -
Expense	1/1/1999	10	1	2008	81,673	11,466	12,383
Expense	1/1/2000	10	2	2009	85,685	23,115	12,963
Expense	1/1/2001	10	3	2010	100,656	39,157	15,195
Expense	1/1/2002	10	4	2011	109,857	54,813	16,549
Expense	1/1/2003	10	5	2012	141,818	84,987	21,286
Variance	1/1/2004	5	1	2008	8,760	2,040	2,203
Expense	1/1/2004	10	6	2013	178,462	123,387	26,690
Reestablished unfunded	1/1/2004	30	26	2033	1,009,474	1,106,363	78,086
Expense	1/1/2005	10	7	2014	238,648	185,490	35,628
Loss	1/1/2005	30	27	2034	19,357	20,687	1,433
Expense	1/1/2006	10	8	2015	276,403	236,717	41,192
Variance	1/1/2006	5	3	2010	21,222	13,698	5,315
Assumption Change	1/1/2006	30	28	2035	318,945	331,973	22,589
Expense	1/1/2007	10	9	2016	307,150	285,948	45,774
Variance	1/1/2007	5	4	2011	18,896	15,675	4,733
Assumption Change	1/1/2007	30	29	2036	67,011	67,956	4,548
Expense	1/1/2008	10	10	2017	449,781	449,781	67,031
Total Charges						\$ 3,053,253	\$ 413,598
2. Credits							
Variance	1/1/2003	5	0	2007	\$ 11,281	\$ -	\$ -
Variance	1/1/2005	5	2	2009	10,331	4,622	2,593
Gain	1/1/2006	30	28	2035	16,036	16,691	1,136
Gain	1/1/2007	30	29	2036	134,681	136,580	9,141
Variance	1/1/2008	5	5	2012	43,447	43,447	10,882
Gain	1/1/2008	30	30	2037	129,979	129,979	8,565
Total						\$ 331,319	\$ 32,317
3. Net Amount (1 - 2)						\$ 2,721,934	\$ 381,281

Annual amortization payments of the reestablished unfunded actuarial accrued liability (UAAL), and changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll, assuming payroll growth of 3% per year over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

TABLE 5

**STATEMENT OF NORMAL COST
FOR CURRENT AND PRIOR PLAN YEAR ACTUAL FUNDING CALCULATIONS**

Item	January 1, 2008	January 1, 2007
1. Unit Credit Normal Cost		
a. Active Participants		
Retirement Benefits	\$ 123,046	\$ 97,528
Withdrawal Benefits	40,410	34,789
Total	163,456	132,317
2. Interest to the End of the Plan Year	13,076	10,585
3. Normal Cost for the Plan Year: (1 + 2)	176,532	142,902

TABLE 6

**CONTRIBUTION REQUIREMENTS – END-OF-YEAR BASIS
ACTUAL AND BUDGET AMOUNTS FOR CURRENT PLAN YEAR
BUDGET AMOUNT FOR NEXT PLAN YEAR**

Item	2009 Budget	2008	
		Actual	Budget
1. Normal Cost with Interest	\$ 192,000	\$ 176,532	\$ 158,000
2. Net Annual	445,000	381,281	364,000
3. Total Contribution ((1 + 2), not less than zero)	\$ 637,000	\$ 557,813	\$ 522,000

The budgeted contributions shown above for the 2009 and 2008 plan years were estimated based on participant data as of January 1, 2008, and January 1, 2007, respectively.

The actual contribution for the 2008 plan year was determined based on participant data as of January 1, 2008, and satisfies the pension accounting requirements of GASB Statement Nos. 25 and 27.

There have been no changes in assumptions, methodology, and plan provisions since the prior valuation.

TABLE 7**SUMMARY STATEMENT OF MARKET VALUE OF PLAN ASSETS**

Asset Category	December 31, 2007	December 31, 2006
1. Cash and Cash Equivalents	\$ 2,031	\$ 654
2. Investments at Fair Value	823,774	798,277
3. Contributions Receivable	529,000	462,000
4. Net Assets Available for Benefits (1 + 2 + 3)	\$ 1,354,805	\$ 1,260,931

TABLE 8**SUMMARY RECONCILIATION OF MARKET VALUE OF PLAN ASSETS**

Item	For Year Ending December 31, 2007	For Year Ending December 31, 2006
1. Market Value of Assets at the Beginning of the Year	\$ 1,260,931	\$ 1,090,405
2. Contributions for Plan Year		
a. County	\$ 529,000	\$ 462,000
b. Member	-	-
c. Total	529,000	462,000
3. Disbursements for Plan Year		
a. Benefit payments and refunds	\$ 54,125	\$ 101,999
b. Administrative expenses payable to County	449,781	307,150
c. Total	503,906	409,149
4. Market Value of Assets at the End of the Year	1,354,805	1,260,931
5. Net Investment Income* (4 - 1 - 2c + 3c)	68,780	117,675
6. Expected Net Investment Income (8.00% per annum)	98,751	83,231
7. Gain (Loss) on Market Value of Assets (5 - 6)	(29,971)	34,444
8. Estimated Rate of Return	5.6%	11.3%

* Net Investment Income is the change in the value of assets for reasons other than contributions and disbursements.

TABLE 9
ACTUARIAL VALUE OF PLAN ASSETS

Item	January 1, 2008	January 1, 2007
1. Actuarial Value of Assets	\$ 1,354,805	\$ 1,260,931

The actuarial value of plan assets is equal to the market value of plan assets.

TABLE 10

**EMPLOYER CONTRIBUTIONS FOR 2007 PLAN YEAR
AND VARIANCE FROM THE FUNDING CALCULATION CONTRIBUTION**

Item					Amount
1.	Total Funding Calculation, End-of-Year Basis, for 2007 Plan Year (from January 1, 2007 actuarial valuation report) ***				\$ 485,553
2.	Total Employer Contributions Made, End-of-Year Basis				
	Contribution Made	Fraction of a Year Invested	Contribution Amount	Interest to Year End*	End of Year Amount
	Bi-weekly	50.0%	\$ -	\$ -	\$ -
	2/1/2008	0.0%	-	-	-
	3/1/2008	0.0%	-	-	-
	4/1/2008	0.0%	529,000	-	529,000
	5/1/2008	0.0%	-	-	-
	6/1/2008	0.0%	-	-	-
	Total		\$ 529,000	\$ -	\$ 529,000
3.	Variance from Funding Calculation Amount** (2 - 1)				\$ 43,447

* Interest to 12/31/2007 at 8.00% per annum

** Variance will be amortized on a level dollar basis over five years.

*** This amount has been revised from the \$481,886 shown in the 2007 report to appropriately reflect the amortization of the 2006 gain over 30 years instead of the 5-year period previously used.

TABLE 11

**GASB NOS. 25 AND 27 DISCLOSURE INFORMATION
FOR CURRENT AND PRIOR PLAN YEAR**

Equivalent Single Amortization Period

Item	January 1, 2008	January 1, 2007
1. Covered Payroll	\$ 8,284,312	\$ 7,057,342
2. Unfunded Amount	2,721,934	2,581,694
3. Amortization Payment	381,281	342,651
4. Payment as a Level Percentage of Payroll (3 / 1)	4.60%	4.86%
5. Weighted Average Amortization Period (2 / 3)	7.14	7.53
6. Equivalent Single Amortization Period (Nearest Whole Year)	9	10

Net Pension Obligation

Item	January 1, 2008	January 1, 2007
1. Annual Required Contribution (ARC)	\$ 557,813	\$ 485,553
2. Interest on Net Pension Obligation	(316)	3,809
3. Adjustment to ARC	988	(11,926)
4. Annual Pension Cost (APC)	558,485	477,436
5. Contributions made*	(522,000)	(529,000)
6. Increase (Decrease) in Net Pension Obligation	36,485	(51,564)
7. Net Pension Obligation at Beginning of Year	(3,946)	47,618
8. Net Pension Obligation at End of Year**	32,539	(3,946)
9. Percent of APC Contributed	93.47%	110.80%

* Contributions for 2008 are estimated based on the County budget.

** NPO at December 31, 2008 is estimated based on expected contributions to be made for the year.

TABLE 12

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**
(\$ Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	Unfunded as a Percentage of Covered Payroll [(b - a) / c]
12/31/2007	\$ 1,355	\$ 4,077	33.2%	\$ 2,722	\$ 8,284	32.9%
12/31/2006	1,261	3,843	32.8%	2,582	7,057	36.6%
12/31/2005	1,090	3,530	30.9%	2,440	8,353	29.2%
12/31/2004	944	2,872	32.9%	1,928	8,406	22.9%
12/31/2003	790	2,535	31.1%	1,746	8,398	20.8%

TABLE 13

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
GASB STATEMENT NO. 25 DISCLOSURE**

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed
2008	\$ 557,813	93.6% *
2007	485,553	108.9%
2006	499,137	92.6%
2005	386,222	94.5%
2004	337,669	103.1%

* Contributions for 2008 are estimated based on the County budget.

The information presented above was determined as part of the actuarial valuation as of the dates indicated.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2008
Actuarial Cost Method:	Unit Credit
Amortization Method:	
- Administrative Expense	Level dollar closed
- Contribution Variance	Level dollar closed
- All other	Level percent of payroll closed
Remaining Amortization Period:	
- Administrative Expense	10 years
- Contribution Variance	5 years
- All other	30 years
Asset Valuation Method:	Market
Actuarial Assumptions:	
- Investment Rate of Return	8.00%
- Payroll Growth	3.00%

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS****ASSUMPTIONS**

Interest Rate: 8.0% per annum, compounded annually. The components are 3.0% for inflation and 5.0% for the real rate of return.

Salary Increase: 5% per annum, compounded annually.

Payroll Growth: 3% per annum.

Separation From Service: Retirement age is assumed to be age 65. Illustrative rates of assumed separation from service (mortality and turnover) are shown in the following tables.

Annual Rates per 100 Participants

Attained Age	Mortality	
	Males	Females
45	0.13	0.11
50	0.19	0.19
55	0.31	0.38
60	0.59	0.76
65	1.11	1.26
70	1.86	1.96
75	2.87	3.40
80	5.03	5.86
85	8.61	10.72

* Healthy pensioners:

The sex-distinct UP-1994 Mortality Table projected to 2010, set back 1 year for males and set forward 4 years for females.

Active members:

70% of the rates applicable to healthy pensioners.

TABLE 14

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Annual Rates per 100 Participants

Attained Age	Withdrawal					
	Select Rates by Year of Employment + Ultimate					
	0	1	2	3	4	Ult.
20	33.75	31.50	28.50	24.00	19.05	15.00
25	31.35	29.46	26.88	22.86	18.54	14.25
30	27.30	25.47	22.92	18.99	15.36	12.00
35	22.35	20.64	18.03	14.01	10.17	6.00
40	17.85	16.26	13.80	10.26	7.23	3.90
45	17.25	14.85	11.94	8.43	5.37	2.52
50	16.50	13.38	10.98	7.89	4.47	1.07
55	14.85	12.45	9.78	6.93	3.63	0.23

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS**
(Continued)**METHODS**

Calculations: The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system, and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the Unit Credit Cost Method. The outstanding balance of the unfunded actuarial accrued liability (UAAL) as of January 1, 2004 and any changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

Asset Valuation Method: The actuarial asset value is the market value of assets plus any receivable contributions.

DATA

Census and Assets: The valuation was based on members of the System as of January 1, 2008 and does not take into account future members. All census data was supplied by the System and was subject to reasonable consistency checks. Asset data was supplied by the System.

TABLE 15**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS****MEMBERSHIP**

Any person employed by the County for whom the County is not obligated to collect and withhold FICA taxes. However, such persons shall not include: 1) an employee hired to relieve him from unemployment; 2) an employee of a hospital, home, or institution where he is an inmate; 3) an employees who is a temporary employee to handle fire, storm, snow, earthquake or similar emergencies; 4) an employee paid on a fee basis as self-employed; or 5) an employee who is a member of a collective bargaining unit covered by an agreement which does not provide for his inclusion.

VESTING SERVICE

One year of service is credited on and after January 1, 1992 for each plan year during which the employee is employed at any time. However, the employee shall not receive credit for any plan year in which the County is obligated to collect and withhold FICA taxes. If, during such plan year, FICA taxes are withheld for only a portion of the year, the employee shall receive a pro rata credit for the portion of the year worked when no FICA taxes were withheld.

BENEFIT SERVICE

Same as vesting service.

EARNINGS

Earnable compensation shall include the compensation earned during the period for which no FICA tax was withheld, exclusive of any amounts reimbursed for moving expenses. However, such compensation shall be limited to the Social Security taxable wage base for the plan year.

Average compensation is the average of the total earnings accumulated during the plan years of employment with the County, with the exception of years prior to January 1, 1992.

TABLE 15**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**
(Continued)**BENEFITS****Normal Retirement**

Eligibility	Age 65.
Amount	2% of the member's average compensation multiplied by years of service (not in excess of 30).

Deferred Vested Benefit

Upon termination of employment, a member is eligible for a deferred vested pension commencing at age 65. Such benefit shall be calculated the same as for normal retirement, considering average compensation and service at termination.

TABLE 16

**SUMMARY OF MEMBERSHIP DATA
AS OF JANUARY 1, 2008**

Active Participants

Item	Total
Number of Participants	1,401
Average Annual Salaries *	\$ 5,913
Average Age	26.5
Average Service	3.3

* The salaries shown in the table above represent total annual pay increased by the salary assumption.

Inactive Participants

Item	Number	Annual Annuities	Average Annuities
Participants with Deferred Benefits	8,741	\$ 1,891,990	\$ 216
Participants receiving the benefits	<u>1</u>	<u>1,371</u>	<u>1,371</u>
Total	8,742	\$ 1,893,361	\$ 217

EXHIBIT I**ACTIVE MEMBERSHIP DATA****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2008**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	845 \$3,635	138 \$8,485								983 \$4,316
25-29	77 \$10,448	59 \$10,378	21 \$13,143							157 \$10,782
30-34	26 \$7,697	15 -	7 -	2 -						50 \$9,402
35-39	10 -	4 -	2 -							16 -
40-44	14 -	3 -	7 -	1 -						25 \$9,426
45-49	14 -	9 -	4 -	3 -						30 \$10,009
50-54	21 \$ 6,214	8 -	4 -							33 \$8,176
55-59	24 \$9,306	5 -	5 -	1 -						35 \$9,215
60-64	20 \$12,148	5 -	6 -	1 -						32 \$10,755
Over 64	11 -	12 -	11 -	6 -						40 \$ 7,451
Total	1,062 \$4,643	258 \$9,173	67 \$12,376	14 -						1,401 \$5,913

* Compensation in cells with fewer than 20 records has been suppressed.

EXHIBIT II**5-YEAR HISTORY OF MEMBERSHIP DATA****Active Participants**

Valuation as of January 1	Number of Active Participants	Percentage Change in Membership	Total Annual Payroll	Percentage Change in Payroll
2008	1,401	8.02%	\$ 8,284,312	17.39%
2007	1,297	(7.95%)	7,057,342	(15.51%)
2006	1,409	(3.43%)	8,352,835	(0.63%)
2005	1,459	(8.01%)	8,405,836	0.09%
2004	1,586	(3.29%)	8,397,870	(2.30%)

Retired Participants

Valuation as of January 1	Number on roll	Additions	Deletions	Percentage Change in Membership	Annual Annuities	Percentage Change in Annuities
2008	1	-	-	0.00%	\$ 1,371	0.00%
2007	1	-	-	0.00%	1,371	0.00%
2006	1	-	-	0.00%	1,371	0.00%
2005	1	-	-	0.00%	1,371	0.00%
2004	1	-	-		1,371	

EXHIBIT III

DETAILED TABULATIONS OF THE DATA

TABLE III-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2008**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
16	23	\$ 56,348	39	\$ 82,520
17	79	195,452	57	134,665
18	112	340,847	84	229,784
19	78	307,123	72	248,616
20	83	380,220	62	235,284
21	70	468,779	45	245,545
22	37	261,963	29	174,245
23	26	164,247	42	312,181
24	27	273,558	18	
25	22	238,897	24	167,924
26	20	211,760	16	
27	14		14	
28	22	227,222	7	
29	11		7	
30	7		6	
31	8		5	
32	7		4	
33	3		3	
34	5		2	
35	2		1	
36	2			
37	2		2	
38	3			
39	4			
40	5		1	
41	2		2	
42	3		2	
43	3		2	
44	5			
45	5			
46	3		3	
47	6		4	
48	3		2	
49	3		1	
50	5		1	
51	6		2	
52	4		1	
53	4		4	
54	5		1	
55	8		1	
56	1		1	

TABLE III-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2008**
(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
57	6		1	
58	8		1	
59	6		2	
60	6		2	
61	9		1	
62	3		2	
63	3			
64	4		2	
65	5		1	
66	5		1	
67	4			
68	1			
69	3		1	
71	1			
72	6			
73	1			
76	1			
77	1		1	
78	1			
79	1		1	
80	1			
81	1		1	
83	1			
87	1			
Total	817	\$ 5,111,526	584	\$ 3,172,786

TABLE III-B

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2008**
(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
1	293	\$ 1,057,617	232	\$ 748,040
2	149	717,849	106	498,985
3	105	702,051	57	282,429
4	71	539,486	49	384,204
5	60	565,618	32	202,640
6	33	304,586	31	317,993
7	20	258,074	21	167,144
8	19		19	
9	12		11	
10	15		3	
11	13		4	
12	8		8	
13	6		2	
14	4		4	
15	6			
16	3		5	
Total	817	\$ 5,111,526	584	\$ 3,172,786

TABLE III-C

**THE NUMBER AND ANNUAL BENEFITS PAID TO
ALL INACTIVE MEMBERS
AS OF JANUARY 1, 2008**

Age	Men		Women	
	Number	Annuity	Number	Annuity
17			1	\$ 30
18	18	\$ 321	19	610
19	32	1,135	42	1,390
20	67	4,413	51	3,072
21	104	10,624	100	7,615
22	167	15,188	134	14,614
23	215	29,407	186	23,232
24	226	37,094	208	28,875
25	272	48,117	245	40,264
26	286	46,985	265	41,563
27	274	53,544	248	44,442
28	293	61,603	240	39,951
29	244	45,438	222	37,348
30	261	55,752	238	47,197
31	243	46,895	197	34,963
32	232	57,920	178	29,398
33	205	46,206	151	31,199
34	186	45,153	153	26,793
35	138	40,213	106	17,756
36	103	24,565	89	21,938
37	115	37,892	86	17,684
38	86	16,966	83	21,161
39	69	19,155	73	19,364
40	43	13,720	57	19,838
41	50	16,971	50	13,878
42	61	17,234	46	10,315
43	38	9,898	44	11,742
44	41	15,048	43	15,851
45	41	21,725	35	11,092
46	39	20,678	35	12,481
47	43	14,478	35	8,590
48	44	14,738	29	7,677
49	43	22,666	27	5,706
50	30	7,932	23	4,444
51	32	12,175	26	11,439
52	34	12,056	22	7,480
53	27	12,674	21	9,235
54	30	12,116	15	5,057
55	31	15,240	22	6,753
56	23	8,889	19	5,261
57	22	7,358	21	9,975

TABLE III-C

**THE NUMBER AND ANNUAL BENEFITS PAID TO
ALL INACTIVE MEMBERS
AS OF JANUARY 1, 2008**

Age	Men		Women	
	Number	Annuity	Number	Annuity
58	21	\$ 8,774	11	\$ 4,985
59	28	15,619	12	2,728
60	16	10,813	11	8,926
61	22	8,799	8	4,691
62	11	5,462	7	3,155
63	13	9,915	8	4,421
64	10	3,923	5	1,506
65	11	4,579	5	758
66	11	8,874	4	1,309
67	5	4,409	2	1,014
68	6	2,156	1	792
69	4	468	1	14
70	6	3,493	5	1,055
71	11	3,297	1	1,101
72	6	5,218	1	11
73	7	4,081	2	1,532
74	4	1,490	2	1,423
75	3	120		
76			1	504
77	5	921	2	90
78	11	7,983	1	920
79	6	1,473		
80	3	1,433	4	2,331
81	4	910		
82	2	387		
83	6	1,669		
84	5	1,409	1	58
85	6	1,011	1	24
86	1	75		
87			2	405
88			1	333
89	2	1,089	1	1,138
90	1	788		
92	1	36		
98	1	15		
Total	4,757	\$ 1,120,867	3,985	\$ 772,494

EXHIBIT IV

GLOSSARY

Accrued Liability

The difference between (a) the present value of future plan benefits, and (b) the present value of future normal cost. It is the portion of the present value of future plan benefits attributable to service accrued as of the valuation date. Sometimes referred to as "actuarial accrued liability."

Accrued Service

The service credited under the plan which was rendered before the date of the actuarial valuation.

Actual Funding Contribution

The Actual Funding Contribution for a plan year is calculated using census and asset information as of the first day of the plan year, and includes Normal Cost, with interest to the end of the plan year, and a net amortization payment.

Actuarial Assumptions

Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method

A mathematical budgeting procedure for allocating the dollar amount of the "present value of future plan benefits" between the present value of future normal cost and the accrued liability. Sometimes referred to as the "actuarial funding method."

Actuarial Equivalent

A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.

Actuarial Value of Assets

The value of current plan assets recognized for valuation purposes. Based on a smoothed market value that recognizes investment gains and losses over a period of three years.

Amortization

Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

EXHIBIT IV**GLOSSARY**

(Continued)

Annual Required Contribution	The Annual Required Contribution, or ARC, is the amount determined in accordance with Governmental Accounting Standards Board Statements Nos. 25 and 27.
Budget Contribution	The Budget Contribution for a year is based on census and asset information as of the first day of the PRIOR plan year, rolled forward to the next plan year based on all actuarial assumptions being met. For example, the Budget Contribution for 2008 is based on census and asset information as of January 1, 2008, rolled forward to January 1, 2009.
Contribution Variance	The difference between the Actual Contribution and the Budget Contribution for a plan year is referred to as the Contribution Variance. A Contribution Variance resulting from an overpayment is amortized over 5 years as a level dollar credit. A Contribution Variance resulting from an underpayment is amortized over 5 years as a level dollar charge.
Experience Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assumed, under the actuarial funding method, for current and subsequent plan years. Sometimes referred to as "current service cost."
Present Value	The amount of funds presently required to provide a payment or series of payments in the future. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Unfunded Accrued Liability	The difference between the actuarial accrued liability and valuation assets.